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FOB China HRC

Participants expect seaborne supply to be tight in the coming weeks with the production suspensions in Ukraine and the possibility of widening sanctions on Russia. The local government of China's Tangshan city intensified production restrictions and asked a steel mill to cut its sintering output by 40pc on 27-28 February to reduce pollutions. Handan city in Hebei also intensified restrictions by asking its steel mills to cut output by 30-50pc over 15-31 March depending on their pollution ratings.

A north China mill lifted its offer by \$15/t to \$840/t fob for SS400 HRC on rising domestic prices. Two other Chinese mills kept offers unchanged at \$815-840/t fob. Traders hiked offers to \$832/t cfr Vietnam from last Friday's \$805/t cfr Vietnam. Offers rose to 857-860/t cfr Vietnam for Chinese SAE1006 grade coils while mills from other countries were quiet.

Turkish Scrap

Turkish deepsea import ferrous scrap prices soar to record high (Platts)

- Black Sea supply absence buoys Turkish market
- Sellers withhold offers in anticipation for sharply higher levels

Turkish deepsea import ferrous scrap prices jumped Feb. 28 to an all-time assessment high, as workable levels for deepsea bulk cargoes rose sharply, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Feb. 28 at \$525/mt CFR, up \$11/mt on day to reach its highest ever level since the assessment began in early-2010. The previous all-time high was \$515.75/mt CFR in May 2021. "If billet continues like this, then we could hear \$540/mt CFR for scrap very soon," a Turkish mill source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$520/mt CFR minimum.

Turkish mills have benefited from diverted demand, as buyers hit by cancellations of previously booked cargoes with Black Sea exporters due to the Russian invasion of Ukraine, switched their attention to Turkish material.

EU HRC

The European hot-rolled coil (HRC) market was inactive today, with suppliers still analysing the impact of Russia's invasion of Ukraine.

A couple of smaller central and eastern European mills said they will return in the next few days, offering dry HRC at €1,000/t and pickled and oiled at €1,050/t. Costs have been affected by a jump in natural gas prices to over €100/MWh. Mills in the Visegrad group of countries suggest that variable HRC costs are around €700/t and above at present.

Disruption to Russian coal supplies has also caused issues — for example, a mill in the Visegrad purchased a 10,000t high-volatile A coking coal cargo at \$400/t fob US east coast yesterday, after its Russian supply was interrupted. This is \$10/t higher than Argus' index on 25 February.

Market Rates

Indices	Price	Change	Feb Stle
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	525.00	11.00	503.88
Steel Rebar FOB Turkey (\$/mt)	762.50	17.50	737.78
Argus HRC NW Europe (€/mt)	961.75	11.50	930.66
Argus FOB China HRC (\$/mt)	798.00	1.00	793.80

US HRC USD/short ton			
	Bid	Ask	Value
Mar-22	1100	1120	1110
Apr-22	1095	1115	1100
May-22	1090	1110	1095
Q2-22	1090	1110	1100
Q3-22	1070	1090	1080
Q4-22	1040	1060	1050

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-22	1035	1045	1040
Apr-22	1015	1025	1020
May-22	1005	1015	1010
Q2-22	1005	1015	1010
Q3-22	975	985	980
Q4-22	932	942	937

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-22	839	849	844
Apr-22	848	858	853
May-22	845	855	850
Q2-22	844	854	849
Q3-22	822	832	827
Q4-22	795	805	800

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-22	560	570	565
Apr-22	565	575	570
May-22	565	575	570
Q2-22	563	573	555
Q3-22	550	560	555
Q4-22	535	545	540

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-22	795	805	800
Apr-22	805	815	810
May-22	795	805	800
Q2-22	798	808	803
Q3-22	775	785	780
Q4-22	760	770	765

BUSHELING			
	Bid	Ask	Value
Mar-22	600	610	605
Apr-22	640	650	645
May-22	640	650	645
Q2-22	640	650	645
Q3-22	620	630	625
Q4-22	580	590	585

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